(c) the details of measures taken by Government to make FDI more effective to strengthen industrial sector in India?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI CHENNAMANENI VIDYA SAGAR RAO): (a) to (c) Foreign Direct Investment (FDI) directly impacts on output growth in India by augmenting the available investible capital. FDI has a greater impact on higher efficiency and productivity because it typically serves to increase competition in markets, bring in new technologies, and encourage skill acquisition amongst domestic labour. Foreign Direct Investment serves as a tool for integrating India into global production chains. Recognising the importance of FDI in the economic growth of the country, Government has put in place a liberal FDI policy where FDI upto 100% is permissible on the automatic route in most sectors except for a small negative list.

Quality Council of India

2492. SHRI B. P. SINGHAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) the criteria for selecting members of the Quality Council of India (QCI);

(b) whether the Secretary General, QCI was ever informed through a detailed questionnaire that malpractices have become rampant in granting of ISO certificates;

(c) if so, his response to that questionnaire;

(d) whether QCI is not the policing body to monitor the ISO certification and Accreditation process;

(e) if so, the policing body for such monitoring; and

(f) whether Government are aware that without such an independent policing body, the entire process and Indian ISO Certificates will lose their credibility in World Trade?

THE MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN JAITLEY): (a) Members of the Quality Council of India (QCI) are selected in accordance with the Memorandum of Association and Rules and Regulations of the Quality Council of India.

(b) and (c) No, Sir. Secretary General, QCI has not been informed about the malpractices in granting ISO certificates through a detailed questionnaire. The National Accreditation Board for Certification Bodies (NABCB) maintains appropriate control on the accreditation granted by it and also looks into the complaints of malpractices in the issue of ISO 9000 and ISO 14001 certificates issued by foreign certification bodies.

.(d) and (e) QCI is not policing body to monitor the certification Bodies though NABCB is fully responsible for the NABCB accredited certificates. Where the certificates with foreign accreditation are issued, the responsibility of such certificates and the certification bodies lies with the respective accreditation council.

In case any of the issues related to malpractices in the certification process with accreditation from foreign accreditation bodies is brought to the notice of NABCB alongwith appropriate evidences, NABCB takes up the issue appropriately with the foreign accreditation and certification bodies.

(f) The process of certification to ISO 9000 and ISO 14001 standards is voluntary and not mandatory worldwide. The entire certification process of ISO 9000 and ISO 14001 in the world is under the supervision of the International Accreditation Forum (IAF), an organisation formed by the accreditation bodies of the different countries of the world as members. The Multilateral Arrangement (MLA) of mutual recognition governs the process of mutual recognition of the certificates accredited by the accreditation body members of IAF.

The National Accreditation Board for Certification Bodies (NABCB), a part of Quality Council of India, has signed the MLA with IAF and is a member of IAF. The certificates of ISO 9000 granted by the certification bodies accredited by NABCB in India are now recognized around the world.

Through the membership of IAF, NABCB has brought to the notice of IAF the deteriorating standards of certification having accreditation from the foreign countries. Based on the efforts of NABCB, IAF is working for specific guidance document on the cross-frontier accreditation, which will help in improving the standards of the certification in India.